

full copy~~SECRET~~

25X1

DISTRIBUTION:

EXTERNAL:

1 - Lillian C. Harris, State Department
 1 - Howard Teicher, NSC
 1 - Vincent Cannistraro, NSC
 1 - Philip Ringdahl, NSC
 1 - Elaine Morton, NSC
 1 - Morton I. Abramowitz, State Department
 1 - Peter Rodman, State Department
 1 - R. Rand Beers, State Department
 1 - Patrick Theros, State Department
 1 - Howard K. Walker, State Department
 1 - David E. Zweifel, State Department
 1 - Martin Van Heuven, State Department
 1 - Sandra Chalres, Pentagon
 1 - James L. Woods, Pentagon
 1 - Lt. Gen James A. Williams, Pentagon
 1 - Lt. Gen Dale A. Vesser, Pentagon

1-file
1-SOURCE

DATE 1-31-86
 DOC NO NESA M 86-2007
 OCR 3
 P&PD 1

Destroyed 3 cys that were for OGI/PG

INTERNAL:

1 - DDI
 1 - NIO/NESA
 1 - NIO/AFR
 1 - D/OGI
 1 - DD/OGI
 8 - OGI/PG
 1 - D/OGI/ISID
 1 - D/OGI/ISID/IT
 2 - ALA/SAD
 2 - EURA/EID/SIB
 2 - EURA/WE/France
 1 - C/PES
 1 - CPAS/ILS
 4 - CPAS/IMD/CB
 1 - D/NESA
 1 - DD/NESA
 1 - C/NESA/PPS
 2 - NESA/PPS
 1 - NESA/AI
 2 - NESA/AI/M

DDI/NESA/AI/M/

15 Jan 86

25X1

SECRET

25X1

Central Intelligence Agency



Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

15 January 1986

Libya: Economic Sanctions Impact on the Civil Air Fleet

Summary

US economic sanctions against Libya have had some impact on the operation of Tripoli's civil air fleet. Although, the financial cost of the US embargo to Libya is not known, the sanctions have reduced Libya's access to new aircraft and limited purchase of required spare parts and maintenance. The sanctions also have forced Qadhafi to conduct a world-wide search for small amounts of essential replacement parts and maintenance--with checkered results. [redacted]

25X1

* * * * *

The US embargo of Libya in March 1982 limits Libya's access to spare parts for its fleet of Boeing 707, 727, and Lockheed C-130/L-100 aircraft. The embargo prohibits Libyan purchase of new US aircraft, or of foreign aircraft with substantial US content. The sanctions halted the delivery of five Lockheed C-130 transport aircraft from the US and 10 European-made Airbus aircraft with substantial US content. The embargo also stopped the direct sale to Libya of essential aircraft maintenance parts--notably engines and electronics. [redacted]

25X1

Successful Purchases of Aircraft

Nevertheless, Libya has managed to acquire three new Netherlands-made aircraft, two Lockheed L-100 transports, and

This memorandum was prepared by [redacted] the International Security Issues Division, Office of Global Issues, and [redacted] the Maghreb Branch, Arab-Israeli Division, Office of Near Eastern and South Asian Analysis. Information as of 15 January 1986 was used in its preparation. Questions and comments should be directed to Chief, Arab-Israeli Division, at [redacted]

25X1

25X1

25X1

NESA M#86-20007
GIM #86-20016

25X1

SECRET

SECRET

25X1

several used US-manufactured jets. Tripoli also has been able to arrange for regular maintenance of its Boeing 727s in France and at least occasional maintenance elsewhere for other US-made aircraft.

25X1

-- In 1983 Libya purchased three used Boeing 707s from a Luxembourg firm which had obtained the aircraft from Air France. The sale was limited to three aircraft because of US diplomatic pressure on both France and Luxembourg.

-- The Libyans in 1984 contracted for eight Dutch Fokker F-28 passenger aircraft. The contract was cancelled after intensive US consultations with Fokker and the Netherlands government. Three aircraft had been delivered. The US content of F-28s is less than 20 percent.

25X1

25X1

-- In 1985 Tripoli obtained two new L-100 transports

25X1

25X1

The C-130/L-100s Hercules has long been the Libyans' favorite transport aircraft, and Tripoli has gone to great lengths to try to circumvent US export controls to obtain them.

25X1

Even with air-refueling equipment, Libyan crews would need considerable training to perform the precision flying required for in-flight refueling. Libya may be using the additional spare parts that came with the two new L-100s to put back into operation some of the 11 C-130s and L-100s it already owns.

25X1

25X1

25X1

SECRET

SECRET

25X1

Aircraft Leases

Although the 1982 US sanctions require permission for leasing US manufactured aircraft to Libya, Tripoli has leased US-made aircraft from at least two countries. Leasing allows Libya to augment its civil fleet and to free Libyan-owned aircraft from commercial tasks for more sensitive work. [REDACTED]

25X1

- In 1983 Libyan Arab Airlines leased a Boeing 707 from Romania's Tarom Airlines. The aircraft was hijacked to Malta in June 1983, exposing the lease. US diplomatic contacts with Romania resulted in the lease being cancelled. [REDACTED]
- Icelandic Eagle Air has periodically leased Boeing 707s to Libya. Although a lease signed in 1981 was allowed to lapse shortly after the sanctions took effect in 1982, one Icelandic 707 has been leased to Libya since 1984 and [REDACTED] is currently operating for Libyan Arab Airlines. [REDACTED]
- Since 1983 Libya has been leasing a Boeing 707 from West Coast Airlines of Ghana. West Coast Airlines was incorporated in 1980 as a charter company and acquired two 707s from Luxembourg firms. We believe that Libya or Libyan nationals may have financial interests in this Airline. [REDACTED]

25X1

25X1

25X1

25X1

Aircraft Maintenance

25X1

The 1982 embargo has severely hindered Libyan aircraft maintenance efforts. [REDACTED] in mid-1983 [REDACTED] more than half of Libya's fleet of C-130s was not operational. We believe only about six of Libya's 17 Boeing 707s are in good repair. Ten Boeing 727s used by Libyan Arab Airlines for regular commercial service to Europe, however, continue to be maintained in France and Belgium, and Libyan 707s have been repaired in Turkey and Yugoslavia. [REDACTED]

25X1

25X1

25X1

- An Italian firm cancelled its C-130 maintenance contract with Libya after US diplomatic contacts in 1983. [REDACTED]

25X1

- According to press reports, a Libyan Boeing 707 cargo aircraft was repaired in mid-1984 in Istanbul by THY Turkish Airlines. [REDACTED]

25X1

25X1

SECRET

SECRET

25X1

25X1

The Financial Cost of Sanctions to Tripoli

The financial cost of the US embargo to Libya is not known. Because they do not have access to new aircraft maintenance parts and service when needed, the Libyans must purchase several used aircraft for every one actually made operational. In addition, Libya has actively searched for reliable sources of parts world-wide with modest results. In some cases- [redacted] Qadhafi has felt it necessary to offer sweeteners, such as offers to buy other arms, to deals involving evasion of the US embargo. These tactics increase the cost of any goods received. [redacted]

25X1

25X1

25X1

SECRET